Approved For Release 2002/08/15 : CIA-RDP83-00415R012000240009-2

25X1A

German Democratic Republic

FDD Abstract of [redacted]

25X1C

GDR SUBSIDIES OF IMPORTS AND EXPORTS IN 1951 (2 pp; German; document undated; [redacted]

25X1X [redacted] 25X1C

This 2-page photostated document is a note for the record of the budget control division of the Ministry of Finance's Main Department for the State Budget. The document deals with the special audit of 1951 foreign trade subsidies which was conducted on 12 and 19 February 1952 at the MAI (Ministry of Foreign and Intra-German Trade).

Reason for the audit: A special audit of price differences in foreign trade transactions was necessitated because this audit could not be performed in December 1951 when the books of the MAI's budget office were audited.

Cause for price differences: The price differences were the result of the changes in world market prices as compared with their GDR equivalents. The GDR equivalent consists of the fixed delivery price, freight costs, and the trade mark-up of the DIA (Intra-German and Foreign Trade Agency). The conversion rate of the world market prices is fixed by the Deutsche Notenbank (German Bank of Issue).

Payments for price differences: Payments for price differences are made by the MAI upon the request of the DIA units. The Ministry of Finance receives periodic statements of payments made.

Budget planning: The 1951 budget plan set aside 800 million DM for foreign trade payments. Actual expenditures amounted to 1,513 million DM. Under the 1951 plan of the MAI the following payments were estimated:

799,271,700 DM for export subsidies and
663,158,100 DM for import subsidies
Total: 1,462,429,800 DM.

The subsidy plan was fairly close to the actual expenditures considering the heavy fluctuations in world market prices. The MAI included the above subsidy plan figures in its 1951 budget plan; the Ministry of Finance reduced the amount to 800 million DM. However, the latter figure had to be increased to meet the needs of actual foreign trade expenditures.

Conclusion: The vouchers support the accuracy of the account books. The DIA units should be subjected to a thorough audit.

25X1A

[Foreign language document or microfilm of it (A-9617) is available from CIA Library, [redacted]]

25X1A [redacted]

RETURN TO CIA LIBRARY

24 July 1952

Approved For Release 2002/08/15 : CIA-RDP83-00415R012000240009-2